



# The President's Daily Brief

*September 18, 1975*

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*FOR THE PRESIDENT ONLY*

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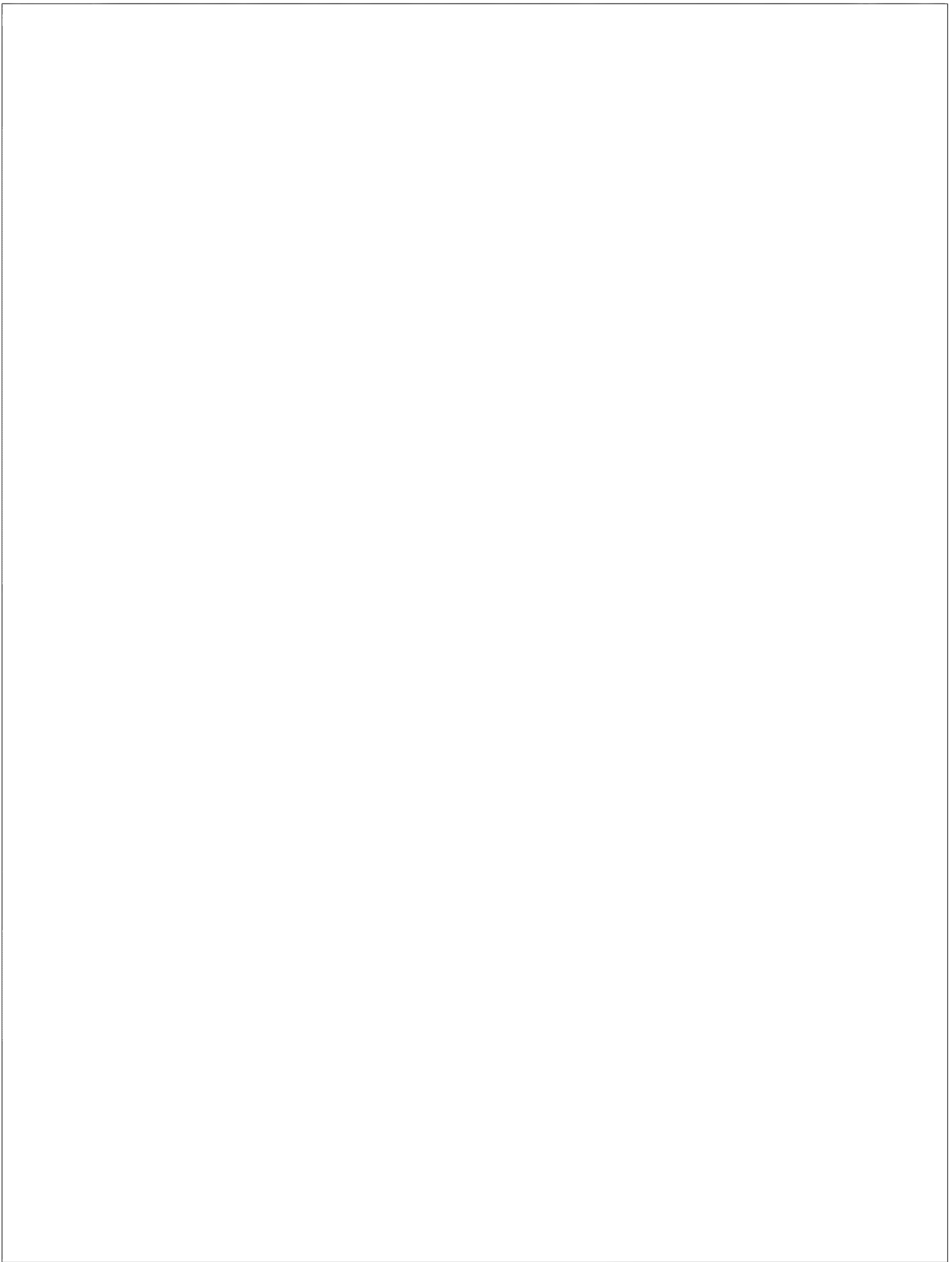
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EGYPT-ISRAEL

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JORDAN-SYRIA

*King Husayn early this week flatly denied any Jordanian intention of participating in a war started by Syria. The occasion was a conversation with Newsweek editor Arnaud de Borchgrave. The latter had quoted to Husayn Syrian President Asad's statement from his Newsweek interview that "Jordan and Syria might have to resort to hostilities to liberate our land."*

De Borchgrave's impressions following an interview with both Husayn and Prime Minister Rifai tend to confirm reporting by our embassy in Amman that Rifai is the chief advocate of closer relations with Syria. The King is inclined to approach ties with Damascus more cautiously. The embassy speculates that Asad's remarks about renewed conflict may temper even Rifai's enthusiasm.

Husayn is unlikely, however, to halt his cautious rapprochement with Syria. A recent embassy assessment states that Jordan's policy of relations between the two countries is governed primarily by short-term policy considerations. These include a desire for greater security on both the Syrian and Jordanian fronts, a larger voice in Arab-Israeli negotiations, improved credentials among the other Arab states, and a lessening of tensions with the PLO.

The Jordanians, according to the embassy, believe Asad is a uniquely reasonable Syrian leader--compared with potential successors--with whom they can do business. They feel the policy of rapprochement provides Amman an opportunity to diminish any potential Syrian military threat to Jordan. Although the King is aware of Jordan's inability to repel an Israeli military strike at Syria through northern Jordan, he apparently believes that an improved Jordanian military position--resulting from cooperation with Syria--would act as a deterrent to any Israeli action.

Both Syria and Jordan, fearful that the new Sinai accord has diminished Arab negotiating strength, hope the rapprochement will increase their political weight in the Arab-Israeli negotiating context.

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INTERNATIONAL OIL DEVELOPMENTS

*We hold to our estimate that the price increase by the Organization of Petroleum Exporting Countries will be within the range of 10 to 15 percent. The positions of major countries attending the OPEC meeting next week range between those of Iran and Algeria, calling for a boost of 15 to 20 percent, and that of Saudi Arabia, apparently favoring continuation of the current price freeze.*

The Shah of Iran has continued to push for a 15- to 20-percent price rise, asserting that OPEC members have lost 30 to 35 percent of their purchasing power to inflation. Saudi Arabia, concerned about the impact that another oil price rise will have on the Western economies and perhaps influenced by the second Sinai accord, surprised other cartel members in August by calling for a continuation of the OPEC price freeze until next January.

It appears that most other members, including Venezuela and Kuwait, will support a price increase in the neighborhood of 10 to 15 percent.

The ministers may try to make the increase more palatable to Saudi Arabia by implementing it in stages. A partial increase of 5 to 10 percent could be applied in October, with a second price hike effective in January.

We do not believe the Saudis would risk damaging the cartel by vetoing such an increase. They are likely to maintain publicly their position on a price freeze and then abstain from voting on an increase. Saudi Arabia has done this in the past to register its displeasure with price hikes. Even if it abstains, Riyadh will undoubtedly apply the OPEC increase to its own oil.

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LEBANON

*Armed clashes apparently became worse in Beirut overnight; the government has warned inhabitants to stay indoors. The fighting is especially intense in the southeastern part of the city where a Muslim suburb abuts a Christian area controlled by the right-wing Phalanges Party.*

The Phalangists, who were heavily involved in the fighting last June, have threatened to step in again if the government--from which they are excluded--does not call the army into Beirut. So far, the party's sizable private militia has limited its actions to occasional shelling and setting up roadblocks.

Interior Minister Shamun is willing to use the army, but he is opposed by Prime Minister Karami and Yasir Arafat, chairman of the Palestine Liberation Organization. Arafat [ ] believes that joint action by the Lebanese internal security forces and the Palestinian police will be sufficient to restore order.

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The violence in the capital frustrated the government's efforts to negotiate a truce among the warring factions. The cabinet met yesterday to consider using the army, but apparently failed to reach a decision.

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Despite the reluctance of Lebanese Muslim and Palestinian leaders to turn to the army, both are involved in consultations to formulate contingency plans for just such a move. The Beirut press speculates that PLO forces may agree to work with the army as they have done in northern Lebanon.

Fighting in Tripoli died down yesterday, and the government radio said this morning the city is quiet. The leftists are gradually implementing the provisions of the "truce" negotiated Tuesday night. The radical October 24 Movement has released most of the several dozen police it had seized. Christians and Muslims in the area are negotiating through intermediaries to define the buffer zone that separates Tripoli and Zagharta.

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## PORTUGAL

*Prime Minister - designate Azevedo yesterday met with party leaders in an effort to resolve differences between the Communists and center-left Popular Democrats on the number of portfolios the two parties will receive. According to the US embassy in Lisbon, most portfolios have now been distributed to the Socialists, Popular Democrats, the Communists, and independents.*

The Communists have been pushing for equal representation in the cabinet with the Popular Democrats. The Popular Democrats, who polled twice as many votes as the Communists in the elections last April, insist that the division of portfolios reflect electoral strength. The Socialists have tried to mediate the dispute but are likely to support the Popular Democrats in an effort to override Communist objections and get the talks started again.

Rumors of divisions within the Communist Party as a result of recent setbacks may help explain Cunhal's determination to force concessions on the formation of a new government. [redacted]

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[redacted] a Central Committee member--Carlos Aboim Ingles--and others who are unhappy with the party's strategy are challenging Cunhal's leadership. A Socialist-oriented weekly has also reported that Ingles is questioning Cunhal's direction of the party.

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Communist influence in the military's top policy-making body, the Revolutionary Council, was further reduced Tuesday when supporters of Antunes' anti-Communist faction were elected to the three air force positions on the Council. The final composition of the restructured Council will not be known until the army elects its representatives later this week.

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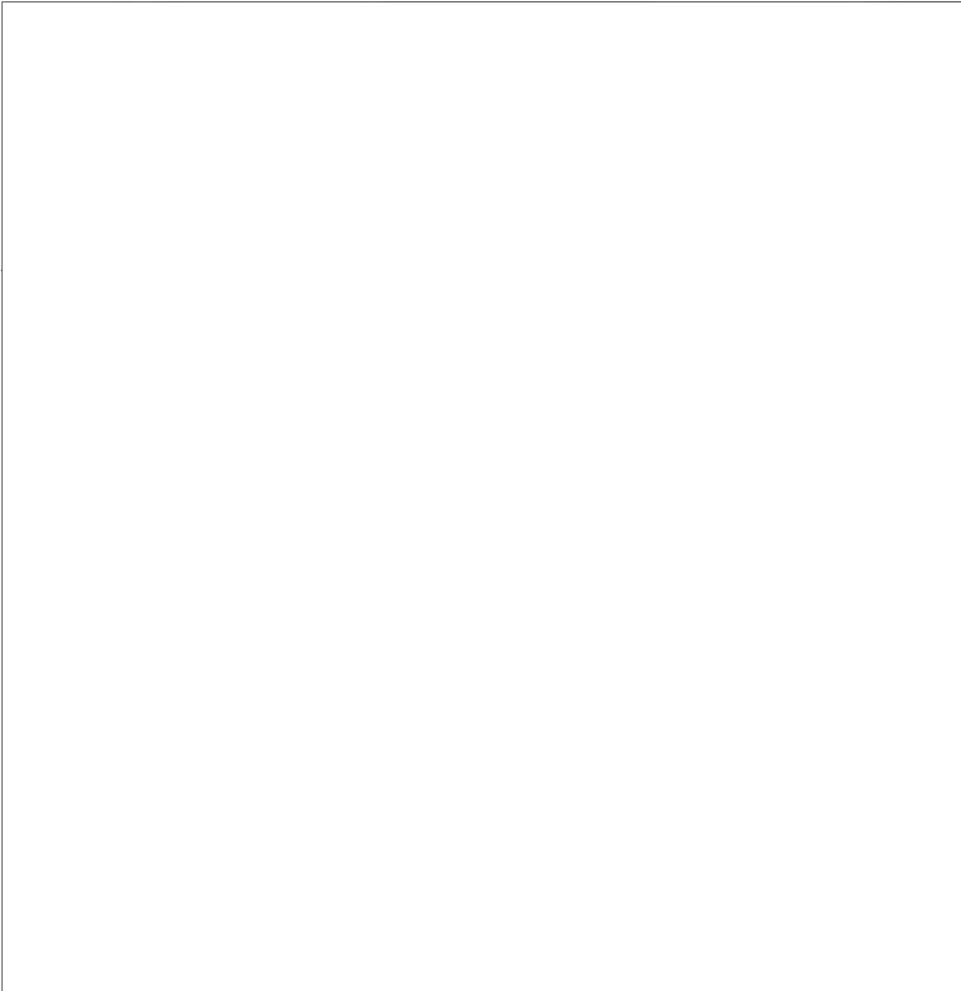
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The army's six-man delegation will probably be dominated by members of the Antunes group, but apparently the navy's three representatives, elected yesterday, are either Communists or on the far left.

In addition to the 12 service representatives, the restructured Council will include the president, prime minister, internal security chief, armed forces chief of staff, and chiefs of staff of the three services.

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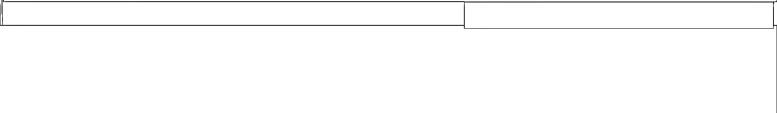


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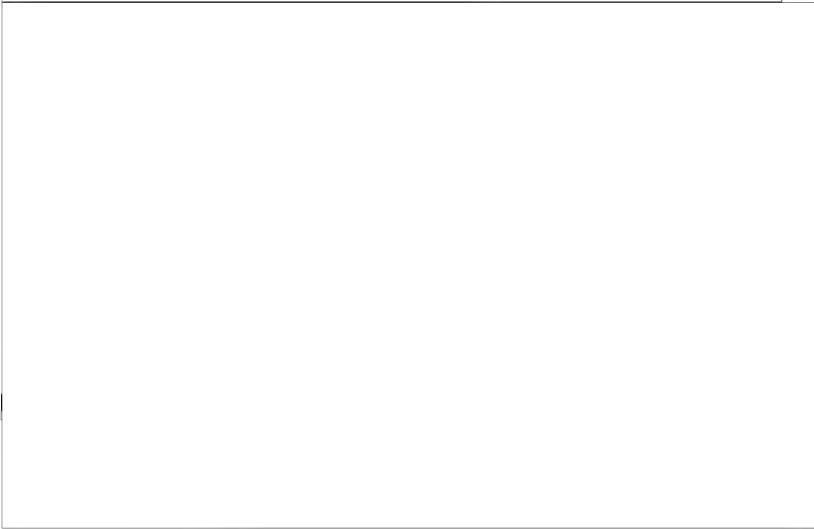


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NOTES

*The Soviets are attempting to warn consumers of the possible magnitude of coming food supply problems.*

A Leningrad lecturer last Sunday told his audience that "this year's crop will be about the same level as in 1972--a terrible year." In that year, the USSR harvested 168.2 million metric tons of grain. The Soviet press had highlighted this summer's difficult crop conditions but has not released production data. Meanwhile, reports of food shortages are appearing in the worst drought-stricken areas.

\* \* \*

*A spokesman for the Ethiopian rebels offered yesterday in Beirut to arrange for a CBS television crew to visit the four US citizens kidnaped by the insurgents from the Kagneu communications facility at Asmara.*

All four Americans are reportedly held by the People's Liberation Forces, a rebel faction led by Isaias Afework. This faction is at odds with Eritrean Liberation Front guerrillas fighting the Ethiopian government and the insurgent leaders who are living in exile. The demands on the US--in effect the ransom for the captives--announced to the press by the insurgents last weekend appear to have been the work of exiles and do not necessarily reflect the views of the guerrillas holding the US captives.

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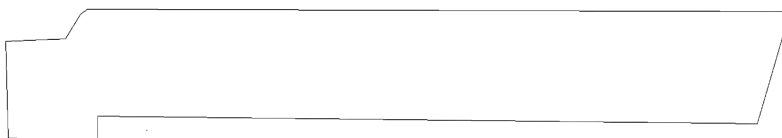
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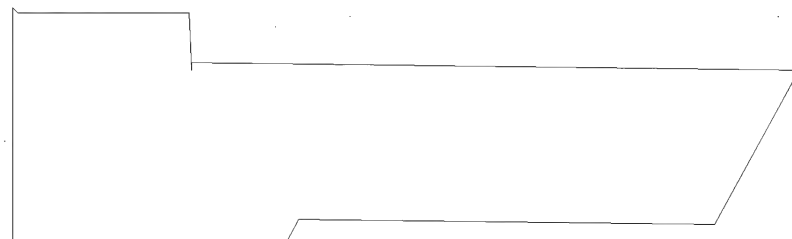
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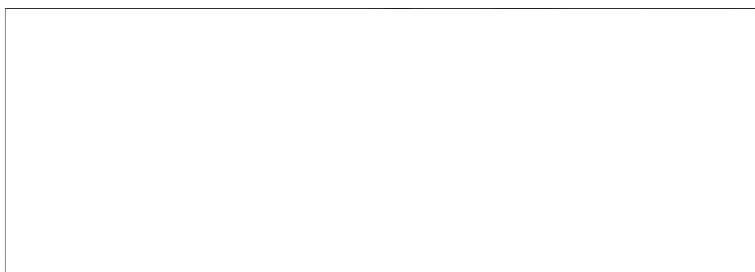
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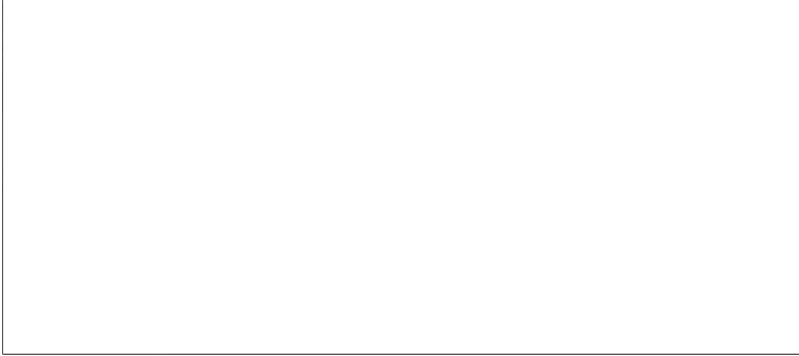


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